

JOHN F. KERRY, MASSACHUSETTS, CHAIRMAN
CHRISTOPHER S. BOND, MISSOURI, RANKING MEMBER

CARL LEVIN, MICHIGAN
TOM HARKIN, IOWA
JOSEPH I. LIEBERMAN, CONNECTICUT
PAUL D. WELLSTONE, MINNESOTA
MAX CLAND, GEORGIA
MARY I. ANDRIEU, LOUISIANA
JOHN EDWARDS, NORTH CAROLINA
MARIA CANTWELL, WASHINGTON
JEAN CARNAHAN, MISSOURI

CONRAD BURNS, MONTANA
ROBERT F. BENNETT, UTAH
OLYMPIA J. SNOWE, MAINE
MICHAEL ENZI, WYOMING
PETER G. FITZGERALD, ILLINOIS
MIKE CRAPO, IDAHO
GEORGE ALLEN, VIRGINIA
JOHN ENSIGN, NEVADA

PATRICIA R. FORBES, MAJORITY STAFF DIRECTOR AND CHIEF COUNSEL
EMILIA DI SANTO, REPUBLICAN STAFF DIRECTOR

United States Senate

COMMITTEE ON SMALL BUSINESS & ENTREPRENEURSHIP

WASHINGTON, DC 20510-6350

September 6, 2002

To the Editors:

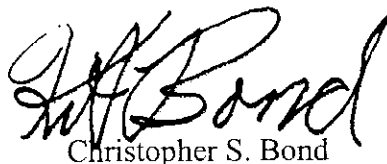
It was flattering to see the Wall Street Journal assert that Association Health Plans (AHPs) are gaining momentum, but unfortunately the article on August 26, 2002 (*Some Fear Hidden Risks as Health-Insurance Pools Gain Momentum*) was so unbalanced it left the impression that it is the opposition to AHPs that is gaining momentum.

The article utterly failed to point out that Secretary of Labor Elaine Chao, as well as the top health care advisor President Bush, have stated unequivocally that the administration is prepared to perform the necessary oversight and certification functions called for in the legislation. This will insure that employees and employers are protected from the fraud and abuse which have become such a problem with some multiple-employer plans in the past. The article also failed to recognize the distinction between the multiple employer plans which breed this fraud because of their lack of qualifications, and AHPs which would have to meet a variety of capitalization, solvency, and back-up insurance requirements. AHPs would also have to meet strict certification, disclosure and actuarial reporting requirements procedures. Finally, the article ended with an accusation that AHPs would permit "cherry-picking" of healthy employees even though this is explicitly prohibited by the legislation under consideration. Sadly, only the criticisms of AHPs were mentioned without any rebuttals from supporters of AHPs.

Small employers have had to bear the burden of double digit rate increases which have forced them to drop their health-care coverage for their employees—when they can still get it since some of these employers have been unable to find coverage at any price. The ultimate losers have been the employees of these companies—as many as 24 million people who are employed but uninsured.

AHPs would simply give small businesses the same opportunity to get the same Fortune 500 level health care benefits large employers and unions currently enjoy. This approach surely deserves to gain momentum, as well as a fair treatment from your reporting.

Sincerely,



Christopher S. Bond